

Message Text

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INFO OCT-01 ISO-00 SSO-00 CCO-00 /016 R

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DRAFTED BY: S/S- O A OTTO

APPROVED BY: S/S- O AOTTO

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TO USDEL SECRETARY IMMEDIATE

S E C R E T STATE 166498 TOSEC 180022

EXDIS

FOL TEL SENT ACTION SECSTATE INFO JIDDA LONDON TEHRAN
FROM AMMAN DTD 04 JUL 1976 QTE

S E C R E T AMMAN 3513

EXDIS

FOR THE SECRETARY FROM AMBASSADOR

E.O. 11652: GDS

TAGS: PFOR, MASS, JO, US, UK, SA, UR

SUBJECT: JORDAN AIR DEFENSE - NEXT STEPS: RESTRUCTURED PACKAGE

REFS: (A) STATE 166458, (B) AMMAN 3510 (NOTAL), (C) STATE
144343 (NOTAL)

SUMMARY: SEE AMMAN 3512

1. REFTTEL (A) HAD OBVIOUSLY CROSSED REFTTEL (B) WITH ITS
RECOMMENDATION THAT WE SIT TIGHT IN LIGHT OF KING'S AND RIFAI'S
COMING TRAVELS TO TEHRAN AND RIYADH. RECOMMENDATION WAS
PREMISED ON FACT THAT AT LATE TIME IN WHICH IT SENT WE DID NOT
BELIEVE THERE WAS MUCH WE COULD DO TO HELP ALLEVIATE WHAT
MIGHT BE A WORSENING PROBLEM BETWEEN IRAN, SAUDI ARABIA AND JORDAN

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OVER HAWK. HOWEVER, SINCE REFTTEL PROVIDED EXTREMELY

HELPFUL INFORMATION AND WOULD BE USEFUL TO HAVE IN KING'S HANDS PRIOR TO HIS MEETINGS WITH SAUDIS IN ORDER TO GIVE HIM AN IMPRESSION THAT HE COULD BY MISSTEPS FOUL UP A POTENTIALLY USEFUL AND HELPFUL APPROACH FROM US, I WAS IN TOUCH WITH HIS STAFF MORNING JULY 4 AND HE ASKED TO SEE ME IN EARLY AFTERNOON JUST PRIOR TO HIS DEPARTURE. I SAW HIM ALONE.

2. I TOLD KING THAT I HAD BEEN SENT INSTRUCTIONS FOLLOWING ON OUR TALK OF LAST WEEK AND HIS REPORT TO US ON HIS MOSCOW VISIT. I DID THIS TO INSURE THAT HE DID NOT ASSUME THAT I WAS RUSHING IN WITH THESE INSTRUCTIONS AS A RESULT OF OUR HAVING HEARD OF HIS TRIP TO RIYADH. I THEN TOLD HIM THAT WE HAD HEARD ABOUT HIS TRIP AT THE EMBASSY AND I THOUGHT HE SHOULD KNOW WHAT OUR VIEWS WERE ON NEXT STEPS BEFORE HE LEFT FOR SAUDI ARABIA WHERE THIS SUBJECT WOULD UNDOUBTEDLY ARISE.

3. I REFERRED ALSO TO INFORMATION WE HAD RECEIVED ON SHAH'S OFFER WHICH TRANSMITTED SAUDI WILLINGNESS TO BE FORTHCOMING WITH \$500 M AND OF RIFAI'S VISIT TO TEHRAN TODAY. I SAID THAT THIS WHOLE ISSUE HAD BEEN PLAGUED WITH MISUNDERSTANDING AND UNCOORDINATED MOVES AND THAT THEREFORE WE WANTED TO INSURE THAT KING KNEW OUR OWN IDEAS.

4. FOLLOWING THIS, USING MY INSTRUCTIONS, I MADE A PRESENTATION OF MATERIAL IN REFTEL (A). WHEN I GOT TO PORTIONS ON RESTRUCTURED PACKAGE, I TOLD KING THAT THE DEPOT ITSM WAS NOT INCLUDED, BUT WENT THROUGH A LISTING OF ITEMS THAT WERE WHICH WAS DEVELOPED FROM MY RECENT TRIP TO WASHINGTON. I TOLD KING QUITE FRANKLY IF SAUDIS WERE NOW WILLING TO PROVIDE \$500 M NO ONE WOULD BE HAPPIER THAN US. IF HE COULD WORK IT OUT ON THE TRIP FINE. IF NOT, WE WERE PREPARED TO SEE WHAT COULD BE DONE BY RESTRUCTURING THE FINANCING FOR A PACKAGE AND IF SAUDIS FORTHCOMING, WE WOULD SEE WHAT WE MIGHT EVENTUALLY BE ABLE TO MEET. IF SAUDIS DID NOT COME UP WITH PROMISED \$500 M AND IF KING WERE AGREEABLE TO OUR PROCEEDING, THEN SAUDIS MIGHT GO FOR A RESTRUCTURED PACKAGE IN WHICH COSTS COULD BE SPREAD OUT. I FELT THERE WAS A DANGER IN MENTIONING ANY FIGURES TO HUSSEIN, IT WOULD PUT HIM IN A POSITION POSSIBLY TO BEGIN BARGAINING WITH SAUDIS ON OUR BEHALF WHICH IN MY JUDGEMENT CAN BE BEST DONE BY AMBASSADOR PORTER IN JIDDA. THUS, I WAS
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CAREFUL TO KEEP AWAY FROM FIGURES SUCH AS \$401-425M FOR PHASE I AND OUR POTENTIAL CONTRIBUTION OF \$110-120M TO PHASE II, BUT I DID GIVE HIM TOTAL COSTS OF RESTRUCTURED PACKAGE OF \$510-542M SO THAT HE COULD TELL SAUDIS WHAT TOTALS WE HAVE IN MIND. I TOLD HIM THAT COSTS WOULD BE AT THE LOW END IF SAUDIS COULD COME UP WITH \$500M IN FINANCING RIGHT AWAY. IF COSTS HAD TO BE SPREAD OUT, INFLATION FACTORS MIGHT MOVE COSTS TOWARD HIGHER END. AT NO TIME DID KING PRESS ME FOR WHAT

WE WOULD BE PREPARED TO PUT UP.

5. I READ FINAL SENTENCES VERBATIM FROM PARA 2 REFTL (A) FOR KING SO HE WOULD BE SURE WHAT WE WANTED FROM HIM AND DID SAME ALMOST VERBATIM FOR HIM FROM PARA 3 OF SAME TELEGRAM. I WENT THROUGH DELIVERY SCHEDULES AND TOLD HIM WE RECKONED ON SLIPPAGE IN DELIVERIES OF ABOUT SAME TIME PERIOD AS SLIPPAGE IN ACQUIRING FUNDING -- 6 TO 9 MOS. ALSO, SINCE DELIVERIES WERE KEYED TO TRAINING, WE WERE WILLING TO MAKE EXTRAORDINARY EFFORTS TO KEEP JORDAN TRAINING PROGRAMS ROLLING AT A RATE FORMERLY AGREED UPON (LESS FUDING SLIPPAGE) AND ALSO TO PULL EQUIPMENT AND SPARE PARTS FROM US INVENTORY AS REQUIRED. I TOLD HIM AS WELL (ON BASIS DOD JUNE 11 MEMO) THAT FIRST 36 VULCANS COULD BE IN JORDAN IN 90 DAYS IF HE WANTED AN IMPACT ITEM. HE MADE CAREFUL NOTES AND APPEARED IMPRESSED BY POINT ON VULCAN DELIVERY.

6. AFTER I HAD FINISHED, KING SAID THAT BEFORE RESPONDING TO OUR QUESTION (PARA 2 REFTL A), HE WOULD WANT TO SEE WHAT DEVELOPED WITH SAUDIS AND GIVE OUR PORPOSAL SOME STUDY. I SAID I COULD UNDERSTAND THAT APPROACH, PARTICULARLY IF SAUDIS WERE WILLING TO STAND BY COMMITMENT TO SHAH FOR \$500M. KING THEN SAID THAT AS HE SAW THINGS NOW, HIS PRINCIPAL PROBLEM WAS FINANCING. HE SAW THAT AS A REAL ADVANTAGE TO THE US/SAUDI PROPOSAL. ON THE SOVIET SIDE, HE SAW MOBILITY. I TOLD HIM THAT HE HAD TO ADD TO THE DISADVANTAGES OF THE SOVIET PROPOSAL WHAT ACCEPTING IT WOULD DO TO HIS DIPLOMATIC AND POLITICAL RELATIONS WITH THE WEST AND HIS ARAB BENEFACTORS. HE AGREED.

7. I ASKED HIM ABOUT THE SAUDI TRIP AND WHAT HE EXPECTED TO DO THERE. HE SAID THAT AFTER EXAMINING ALL THE ISSUES, HE NOW FELT THAT HE HAD TO PUT HIS CASE BEFORE HIS FRIENDS IN THE ARAB WORLD. THERE HAD BEEN SO MUCH MISUNDERSTANDING WITH THE SAUDIS
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OF LATE AND HE FELT THAT HE PERSONALLY HAD TO GO TO RIYADH AND TRY TO GET THINGS OUT ON THE TABLE AND CLARIFIED. HE SAID THAT IT MAY BE ONE UNHOLY ROW, BUT "I FEEL I MUST TRY TO GET THINGS CLEARED UP." HE ADDED THAT THE SAUDIS, HE HAD HEARD, HAD RECENTLY TOLD IRAN THEY HAD ALREADY DELIVERED \$40M TO JORDAN FOR THE HAWK. HE SAID HE DID NOT KNOW WHAT THIS MEANT. POSSIBLY IT WAS THE SAUDI GUARANTEE OF LAST YEAR'S US FMS CREDIT AT \$30M, WHICH HAD NOTHING TO DO WITH AIR DEFENSE, HE SAID. ANYWAY, HE IS NOT SANGUINE ABOUT THE RESULTS OF HIS TRIP. I ASKED HIM TO DO WHAT HE COULD TO FACILITATE MATTERS FOR OUR AMBASSADOR IF WE SHOULD WANT TO MOVE BACK TO AN OPTION SUCH AS I HAD DISCUSSED. HE SAID HE WOULD CERTAINLY TRY, BUT COULD NOT REALLY BE SURE AT THIS POINT HOW SAUDIS WOULD REACT TO ANYTHING HE HAD TO SAY. KING ADDED THAT HE HOPED TO BE IN TOUCH WITH SHAH DIRECTLY BY A PRIVATE VISIT

LATER AND ADDED THAT HE WAS AWARE OF PROTOCOL DIFFICULTIES OF SENDING RIFAI THERE TODAY WHILE HE GOES TO RIYADH. HE ADDED HOWEVER THAT SAUDIS HAD RESPONDED TO HIS INITIATIVE FOR A VISIT BY SUGGESING HE COME TO RIYADH JULY 4 AND HE COULD NOT TURN THAT DOWN. KING ADDED THAT HE WILL ALSO BE IN TOUCH WITH ALL OF HIS ARAB FRIENDS AND NEIGHBORS, INCLUDING SOME WITH WHOM "WE DO NOT HAVE SUCH GOOD RELATIONS" WHICH HE WILL DO BY LETTER. (I PRESUME HERE HE IS TALKING ABOUT LIBYA. WE HAVE SEEN SOME SIGNS AS YOU KNOW THAT JORDAN AND POSSIBLY SOVIETS MAY BE WORKING ON LIBYAN FINANCING FOR A SOVIET PACKAGE.)

8. ON SOVIET DEAL, KING TOLD ME THAT HE HAD PRESENTED HIS NEW REQUIREMENTS TO SOVIET AMBASSADOR (MORE SAM-3 AND SAM-6, NO SAM-2 ETC) AND THAT SOVIETS HAD TOLD HIM THEY WOULD BE IN WITH AN ANSWER VERY SOON.

9. KING SAID THAT HE WOULD WANT TO BE IN TOUCH WITH US ON HIS RETURN FROM SAUDI ARABIA.

10. COMMENT: ON BALANCE, I BELIEVE THAT TALK WITH KING HAS GIVEN HIM A HELPFUL REFERENCE WITH WHICH TO APPROACH SAUDIS AND THAT IT IS BETTER TO HAVE HIM INFORMED OF OUR APPROACH IN DOING SO RATHER THAN BLUNDERING ALONG ON HIS OWN. JORDANIANS APPRECIATE THAT WE ARE PREPARED TO TALK WITH SAUDIS ABOUT DEALING WITH RESTRUCTURED FINANCING. AS OF THIS POINT THEY DO NOT KNOW OF ANY OF THE FINANCING DETAILS FROM US. THIS WE
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BELIEVE WILL BE HELPFUL IN PRESERVING FOR OURSELVES THE PRESENTATION OF THIS OPTION SHOULD KING DECIDE HE WISHES TO GIVE IT HIS BLESSING AND AGREE TO ACCEPT IT. ALL WE CAN DO NOW IS KEEP OUR FINGERS CROSSED THAT THE WELL KNOWN SAUDI-JORDANIAN FOUL-UP FACTOR IN THIS DEAL WILL TAKE A FEW DAYS HOLIDAY FOR THE FOURTH.
PICKERING UNQTE ROBINSON

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOSEC, AIR DEFENSE, MISSILES, MILITARY SALES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 JUL 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE166498
Document Source: CORE
Document Unique ID: 00
Drafter: O A OTTO
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760259-0323
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760790/aaaadbqj.tel
Line Count: 208
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN SS
Original Classification: SECRET
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: EXDIS
Reference: 76 STATE 166458, 76 AMMAN 3510
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAY 2004 by ElyME>; APPROVED <02 SEP 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JORDAN AIR DEFENSE - NEXT STEPS: RESTRUCTURED PACKAGE
TAGS: PFOR, MASS, JO, US, UK, SA, UR
To: SECRETARY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006